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UNCLAS SECTION 01 OF 02 MAPUTO 000364

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STATE FOR M/R:APONCE, AF/EX:BGATES, AF/S:HTREGER

E.O. 12958: N/A

TAGS: [AODE](#) [AMGT](#) [KMRS](#) [MZ](#)

SUBJECT: NSDD-38/Mozambique - COM Approval of Millennium Challenge Corporation Staffing in Mozambique

Refs: A) State 18065

B) NSDD-38 Request Case Number MCC-MOZ-32702-1262007 C) Guidance for COMs on NSDD-38 Requests

¶1. The Chief of Mission approves the request by the Millennium Challenge Corporation to establish five full-time positions - one U.S. direct hire position, one either direct hire or PSC position, and three local hires - in Maputo, with the conditions and changes noted in para 8. These positions are necessary for successful implementation of the Millennium Challenge Corporation's expected compact with the Mozambican government. This compact is expected to provide several hundred million dollars worth of assistance over a five-year period, primarily in the areas of roads, water, and sanitation.

¶2. Mission Performance Plan: Post's FY07 MPP anticipated one USDH MCC position, and the FY08 MPP cited the need for both the Director and the Deputy Director positions. The MPP only included USDH positions and so did not address the three local hire positions.

¶3. Workload: Not applicable, as MCC does not currently have staff at post. Non-MCC staff lack the required expertise in MCC's planned compact and its procedures. Also, other-agency resources are fully involved in implementing other programs.

¶4. Other Options for Accomplishing Function: It would be unlikely that the anticipated compact could be successfully implemented without the permanent, in-country presence of a direct-hire director of sufficient rank to develop relationships with and engage senior GRM officials. MCC has relied on frequent TDY visits during the lengthy process of devising a compact, and the delays in that process have provided evidence of the drawbacks of this approach.

¶5. Administrative Support/Space/Funding Arrangements: MCC plans to locate its office in the existing USAID facility. There is no room in the current chancery or the two annexes closest to the chancery, and USAID has the extra space. Because MCC will be collocated with USAID, it will be most efficient for MCC to obtain many of its services from USAID rather than ICASS, including Computer/Telecommunications Support, Reception, Motor Pool, Office Supplies/Support, STL Non-Residential BOE, Customs/Shipping, Financial Management, Travel Services, and even Vehicle Maintenance and surge motorpool support. Under this scenario, ICASS would provide MCC with Basic Package, Health Services, CLO, Personnel, General Services, Information Management (pouch), Language Instruction (English for FSNs), and STL Residential BOE. Actual experience will determine the optimal mix of service provision. However, for the purpose of cost estimation, it is assumed here that all administrative support will be provided by ICASS. On this basis, MCC's annual cost for administrative support would be approximately \$230,000. Additional costs for its LES, residential lease, utilities and guard service is estimated to total \$270,000 per year. In addition, MCC will incur start-up costs for its offices and residence of approximately \$200,000. These estimates do not include the cost of MCC's USDH salary/benefits/allowances, and in-country travel. Relatedly, it is post's understanding that MCC will need to

seek setback and collocation waivers from Diplomatic Security for them to occupy current USAID space. Housing for non-local staff shall be provided in a manner consistent with applicable FAM regulations.

¶16. Benefit/Security Tradeoff: While Maputo is a critical crime threat post, the benefit of being able to implement an important Presidential initiative such as the MCC in Mozambique outweighs the security risks associated with the addition of five new staff members.

¶17. Other: MCC has stated in the Ref B request that the assigned Resident Country Director and Deputy Resident Country Director (the only two US-hired positions in this request) will receive security and working in an Embassy training before coming to post.

¶18. Conditions and Changes to Request:

a) Post understands from MCC that Position 2, the Deputy Resident Country Director, may be either a USDH (as indicated in the application) or a PSC position.

b) As noted in MCC's trip report, positions 3, 4, and 5 will be graded at levels to be determined by the CAJE process at post.

c) Construction of a New Embassy Compound is expected to begin in FY 2010, though this date could change. MCC and all other USG agencies (except Peace Corps) will collocate in the NEC. The ongoing planning process has taken into account, in consultation with MCC, the expected size of the MCC office. Upon the move to the NEC, support services such as motor pool for nearly all agencies will be provided by a combined ICASS Joint Management Section (JMS). This will affect several of the services that USAID will provide until then. MCC will receive motor pool services from the JMS motor pool,

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and the driver position (position 5 in this request) is likely to be abolished or transferred to the JMS motor pool.

d) Post understands from MCC that the language in part IV of the justifications for positions 3, 4, and 5, the Development Assistant Specialist, the Administrative Assistant, and the Driver, which says the MCC believes it is best that these positions be filled by USDH employees with security clearances is incorrect, and that MCC's intention is that the positions should be locally recruited, as is stated in the Employment Type field for each position.

e) Both ref A and ref B contain references to Lesotho and the GOL that post assumes should refer to Mozambique.

¶19. Post believes that the issues raised in refs A-C have been satisfactorily addressed and that the strong positive contributions these positions will make towards implementation of the MCC Compact outweigh the security and other concerns associated with adding positions. The Chief of Mission approves the proposal as outlined in Ref B, with the conditions and changes listed in para 8. Please advise if additional information is required.

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